

P-421/M-86-660REQUIRING REPORT

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Barbara Beerhalter	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Darrel L. Peterson	Commissioner

In the Matter of a Northwestern Bell Telephone Company Proposal to Change the Name of its Maintenance of Service Charge to Trouble Isolation Charge and to Reduce Rate

ISSUE DATE: December 16, 1988

DOCKET NO. P-421/M-86-660

ORDER REQUIRING REPORT

PROCEDURAL HISTORY

Prior to the deregulation of inside wire on December 31, 1986, Northwestern Bell Telephone Company's (NWB or the Company) business or residential customers who were having a problem with telephone service could ask NWB to check the system. The Company would check its network and the customer's inside wire and equipment. The charge was \$52.00.

Today, a business or residential customer of the Company who has a problem with telephone service can ask that a NWB technician test the local network to determine whether the problem is due to a malfunction of the local network. The customer pays nothing if the problem is in the local network, i.e. NWB's facilities. If the trouble is not in NWB's network, the customers is charged \$52.00 as Maintenance of Service Charge.

On November 5, 1986, NWB filed a proposal with the Minnesota Public Utilities Commission (Commission) seeking approval to change the name of its Maintenance of Service Charge (MOSC) to Trouble Isolation Charge and to reduce the current rate of \$52.00 to \$30.00.

The Minnesota Department of Public Service (Department or DPS) issued a report of its investigation into NWB's proposal on August 31, 1987. The DPS recommended: 1) that the service's current name be changed to Network Testing Charge or Network Integrity Check Charge; 2) that a rate structure be designed that would segregate the MOSC into two categories, complex and non-complex; 3) that the Commission authorize NWB to permit third party billing to foster a more competitive market for inside wire maintenance; and 4) that the Commission require NWB to install a system network interface in all residential houses at no charge to the customer, during routine maintenance or as a result of a trouble call.

In addition to the DPS, the Residential Utilities Division of the Office of the Attorney General (RUD-OAG), the Minnesota Business Utilities Users Council (MBUUC), and the Antitrust Division

of the Office of the Attorney General (AD-AG) filed comments on the Company's proposal

The Commission met on October 27, 1988 to address this matter.

FINDINGS AND CONCLUSIONS

At its October 27, 1988 meeting, the Commission identified several issues which needed to be analyzed before making a decision in this matter. The Commission asked NWB to meet with the staff of the Commission, the DPS, and other interested state agencies, to gather information and discuss options to NWB's proposal. The Commission expects NWB to provide all necessary information to the group. The Commission asked the group to file a progress report within 30 days. Among other things, the report should address the following:

1. the Company's cost for converting an old style demarcation point to a new one;
2. the cost to individual customers of requiring the Company to provide testing device or equipment to the customer at cost during routine maintenance, during a trouble isolation call, or during a special call;
3. whether and what type of additional information is needed (e.g. cost study);
4. any other options or pricing methods which may be appropriate.

The Commission will so order.

ORDER

1. Northwestern Bell Telephone Company shall meet with technical and legal staff from The Commission, the Department of Public Service, and any other interested parties to further analyze and evaluate the pricing of NWB's Maintenance of Service Charge.
2. The Department of Public Service shall submit the report described above to the Commission no later than 30 days from the date of this Order.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen
Executive Secretary

(S E A L)